

**Orascom Telecom,
Media and Technology Holding S.A.E.**

**Subject to the provisions of law no. 95 for year 1992 and
its executive regulations**

**Condensed Consolidated Interim Financial Statements
For the nine months ended September 30, 2015**

Together with Limited Review Report



Orascom Telecom Media and Technology Holding S.A.E.

**Condensed Consolidated Interim
Financial Statements together with Limited
Review Report**

**Nine months ended
September 30, 2015
US\$**

Report on Review of Interim Financial Information

To: The Board of Directors of Orascom Telecom, Media and Technology Holding S.A.E.

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of Orascom Telecom, Media and Technology Holding S.A.E. and its subsidiaries (The Group) which comprise the condensed consolidated interim statement of financial position as at September 30, 2015 and the related condensed consolidated interim statements of profit or loss & other comprehensive income, changes in equity and cash flows for the nine months period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

Except as explained in the following paragraph, we conducted our review in accordance with International Standard on Review Engagements (2410) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As disclosed in more details in note (9), the accompanying notes to condensed consolidated interim financial statements, the company has revised the accounting treatment of the investment in CHEO Technology JV (Koryolink) to be investment in associates instead of investment in subsidiaries. In the management view, the control over the subsidiary's activities was lost, due to the increase of the severity of financial and operational obstacles and the futility of the negotiation conducted by the management of the Group and the Korean side to the expected results that would remove some of such obstacles according to management estimates.

Thus the investment in CHEO Technology JV (Koryolink) is measured at cost represented the fair value that expected to be recovered by the company from its investments in the future. The losses resulted from the revision of the accounting treatment amounted to USD 474,266 thousand included in losses from discontinued operations in the statement of profit or loss and other comprehensive income (Note 10).

In light of the aforementioned we were not able to verify the fair value that will be recovered at the date of financial position and we were not able to perform other alternative procedures with this respect.

Qualified Conclusion

Except for the effect of the matter described in the basis of qualified conclusion paragraph, and based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements do not present fairly, in all material respects, the condensed consolidated financial position of Orascom Telecom, Media and Technology Holding S.A.E as at September 30, 2015 and of its consolidated financial performance and of its consolidated cash flows for the nine months period then ended in accordance with IAS (34) "Interim Financial Reporting".

Cairo, November 15, 2015



ORASCOM TELECOM MEDIA AND TECHNOLOGY HOLDING S.A.E.
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS OF
SEPTEMBER 30, 2015

(in thousands of US\$)	Note	As Of 30 September 2015	As Of 31 December 2014
Assets			
Property and equipment	12	141,331	292,650
Intangible assets	12	21,650	72,393
Investments in associates	9	78,368	82,739
Other non-current financial assets	13	5,657	703,689
Other non-current assets		8,790	9,144
Total non-current assets		255,796	1,160,615
Inventories		183	264
Trade receivables		9,838	13,963
Other current financial assets	13	2,049	38,005
Other current assets		15,626	19,550
Cash and balances at banks	14	250,288	130,251
		277,984	202,033
Non-current Assets held for sale		-	63,801
Total current assets		277,984	265,834
Total Assets		533,780	1,426,449
Equity and Liabilities			
Share capital	15	366,148	366,148
Other reserves		(47,754)	(27,277)
Retained earnings		82,526	573,156
Equity attributable to equity holders of the Company		400,920	912,027
Non-controlling interest		11,416	189,253
Total equity		412,336	1,101,280
Liabilities			
Non-current borrowings	17	16,409	2,099
Other non-current liabilities		9,676	8,630
Deferred tax liabilities		6,680	12,775
Total non-current liabilities		32,765	23,504
Current borrowings	16	3,407	4,099
Trade payables	17	16,390	150,717
Current income tax liabilities		22,534	20,565
Current provisions	18	46,348	76,464
		88,679	251,845
Liabilities Directly associated with assets classified as held for sale		-	49,820
Total current liabilities		88,679	301,665
Total Liabilities		121,444	325,167
Total Equity and Liabilities		533,780	1,426,449

(The notes are an integral part of these Condensed Consolidated Interim Financial Statements)

Chief Financial Officer
Youssef Shoukry

Executive Chairman & Managing Director
Naguib Sawiris

Limited Review report attached'

ORASCOM TELECOM MEDIA AND TECHNOLOGY HOLDING S.A.E.
CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE PERIOD ENDED SEPTEMBER 30, 2015

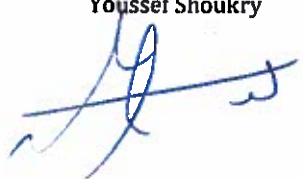
(in thousands of US\$)	Note	For the Period ended 30 September 2015	For the Period ended 30 September 2014	Three Months ended 30 September 2015	Three Months ended 30 September 2014
continuing operations					
Revenues	6	25,362	24,931	8,408	7,130
Other income		612	793	181	239
Purchases and services	7	(18,203)	(15,834)	(5,767)	(4,672)
Other expenses		(686)	(9,934)	(341)	(496)
Personnel cost		(12,742)	(10,651)	(3,107)	(3,019)
Depreciation and amortization		(8,814)	(2,047)	(2,914)	(649)
Provisions no longer required		23,322	-	(615)	-
Disposal of non-current assets	9	160,947	20	-	14
Operating Income		169,798	(12,722)	(4,155)	(1,453)
Financial income	8	(133,792)	(28,500)	3,559	(50,068)
Financial expense	8	(770)	(959)	(250)	(276)
Foreign exchange (loss) gain	8	5,459	322	7,323	497
Share of loss of investment in associates	9	(616)	(6,105)	16	(1,297)
Profit before income tax		40,079	(47,964)	6,493	(52,597)
Income tax expense	11	(23,959)	(3,475)	1,963	(183)
(Loss) Profit for the period		16,120	(51,439)	8,456	(52,780)
Discontinued operations					
(Loss) Profit from discontinued operation (net of income tax)	10	(474,266)	136,872	(562,024)	43,655
(Loss) Profit for the period		(458,146)	85,433	(553,568)	(9,125)
Attributable to:					
Owners of the company	10	(490,630)	51,196	(565,227)	(20,666)
Non-controlling interests		32,484	34,237	11,659	11,541
(Loss) Profit for the period		(458,146)	85,433	(553,568)	(9,125)
(Loss) Earnings per share (basic and diluted) - (in US\$)		(0.094)	0.010	(0.1078)	(0.0039)

(in thousands of US\$)	For the Period ended 30 September 2015	For the Period ended 30 September 2014	Three Months ended 30 September 2015	Three Months ended 30 September 2014
Profit for the period	(458,146)	85,433	(553,568)	(9,125)
Other comprehensive income /(loss):				
Items that may be subsequently reclassified to profit or loss net of tax				
Share of profit recognized directly in equity of associates	(209)	-	(209)	-
Currency translation differences	(25,730)	(41,611)	26,584	(35,725)
Total comprehensive (loss) income for the year	(484,085)	43,822	(527,193)	(44,850)
Attributable to:				
Owners of the parent	(511,107)	17,612	(543,390)	(47,403)
Non-controlling interest	27,022	26,210	16,197	2,553
Total comprehensive (loss) income for the period	(484,085)	43,822	(527,193)	(44,850)

(The notes are an integral part of these Condensed Consolidated Interim Financial Statements)

Chief Financial Officer
Youssef Shoukry

Executive Chairman & Managing Director
Naguib Sawiris




ORASCOM TELECOM MEDIA AND TECHNOLOGY HOLDING S.A.E.
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2015

<i>(in thousands of US\$)</i>	Share capital	Legal reserves	Translation reserves	Other reserves	Retained earnings	Equity attributable to shareholders of the Parent Company	Non-controlling Interests	Total equity
As at January 1, 2014	366,148	81,329	(61,490)	209	581,891	968,087	155,771	1,123,858
Comprehensive Income								
Profit for the period	-	-	-	-	51,196	51,196	34,237	85,433
Other comprehensive income loss, net of tax	-	-	(33,577)	-	-	(33,577)	(8,034)	(41,611)
Total comprehensive income / (loss)			(33,577)		51,196	17,619	26,203	34,822
As of September 30, 2014	366,148	81,329	(95,067)	209	633,087	985,706	181,974	1,167,680
As at January 1, 2015	366,148	81,329	(108,815)	209	573,156	912,027	189,253	1,101,280
Comprehensive Income								
Other comprehensive loss (loss) Profit for the period	-	-	(20,268)	(209)	-	(20,477)	(5,462)	(25,939)
Total comprehensive income	-	-	(20,268)	(209)	(490,630)	(490,630)	32,484	(458,146)
Disposal of Non-controlling interests from disposal of investments in subsidiary company (Note 10)	-	-	(20,268)	(209)	(490,630)	(511,107)	27,022	(484,085)
As of 30 September 2015	366,148	81,329	(129,083)	-	82,526	400,920	11,416	412,336

(The notes are an integral part of these Condensed Consolidated Interim Financial Statements)

Youssef Shoukry

Chief Financial Officer

Naguib Sawiris

Executive Chairman & Managing Director




ORASCOM TELECOM, MEDIA AND TECHNOLOGY HOLDING S.A.E.
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED SEPTEMBER 30, 2015

<i>(in thousands of US\$)</i>	For the period ended September 30, 2015	For the period ended September 30, 2014
Profit for the period from continuing operations	40,079	(47,964)
Adjustments for		
Depreciation, amortization and impairment charges	8,814	2,047
Fair value loss / gains on derivative instrument	134,050	29,158
Provisions no longer needed	(23,322)	-
Interest expense	770	959
Investment income	(258)	(658)
Foreign exchange (gain) /loss	(5,459)	(322)
Gain form sale of associa*	(161,206)	-
Share of profit of associate	616	6,105
Gain form disposal of noncurrent assets	258	(21)
Change in provisions	475	9,613
Changes in other assets	(3,290)	(3,964)
Changes in other liabilities	2,842	3,127
Cash flows used in operating activities	(5,631)	(1,920)
Income taxes paid	(5,532)	(11,326)
Interest paid	(770)	(959)
Interest collected	258	658
Net Cash flows used in operating activities	(11,675)	(13,547)
Cash out flow for investments in		
Property and equipment	(19,699)	(4,706)
Intangible assets	(1,420)	(191)
Change in Deposits and financial assets	(2,307)	(168)
Proceeds from disposal of		
Property and equipment	327	133
Proceeds from Sale of associate	231,428	-
Proceeds from Sale of subsidiaries	12,774	-
Cash flows generated by/ (used in) Investing activities	221,103	(4,932)
Cash flows from financing activities		
Proceeds from loan and bank facilities	15,326	2,742
Payments for loans and bank facilities	(1,549)	(3,750)
Cash flows generated by / (used in) financing activities	13,777	(1,008)
Net cash generated by/ (used in) continuing operations	223,205	(15,687)
Discontinued operations		
Net cash generated by operating activities	141,126	191,086
Net cash used in Investing activities	(102,019)	(110,070)
Net cash generated by financing activities	-	604
Net cash generated by discontinued operations	39,107	81,620
Net increase in cash and cash equivalents	262,312	62,133
Cash included in disposed subsidiaries	(140,217)	-
Effect of exchange rates on cash and cash equivalents	(2,058)	(11,176)
Cash and cash equivalents at the beginning of the period	130,251	124,753
Cash and cash equivalents at the end of the period	250,288	175,710

(The notes are an integral part of these Condensed Consolidated Interim Financial Statements)

Chief Financial Officer
Youssef Shoukry



Executive Chairman & Managing Director
Naguib Sawiris



ORASCOM TELECOM, MEDIA AND TECHNOLOGY HOLDING S.A.E.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2015

1. General information

Orascom Telecom, Media and Technology Holding S.A.E. ("OTMT" or the "Company") is a joint stock company with its head office in Cairo, Egypt. The Company was established on 29 November 2011 (the "inception") and until this date the businesses of the Company were performed under various entities which were controlled by Orascom Telecom Holding, S.A.E. ("OTH"). As part of a larger transaction pursuant to which VimpelCom Ltd had acquired OTH, its shareholders agreed to affect the demerger, whereby, OTH was split into two companies, OTH and the Company ("Demerger"). The Demerger resulted in the transfer of certain telecom, cable and media and technology assets (the "OTMT Assets") to the Company.

The Company and the OTMT Assets (together the "Group") are a mobile telecommunications business operating in high growth emerging markets in the Middle East, Africa and Asia. The Company is a subsidiary of Orascom Telecom Media and Technology Investments S.à.r.l. (the "Ultimate Parent Company").

The Company's shares are listed on the Egyptian Stock Exchange and its GDRs are listed on the London Stock Exchange.

The information presented in this document has been presented in thousands of United States Dollar ("US\$"), except earnings per share and unless otherwise stated.

2. Statement of compliance

These condensed consolidated interim financial statements as of September 30, 2015 have been prepared in accordance with IAS 34 "Interim Financial Reporting". As permitted by IAS 34, the Company has opted to prepare a condensed version as compared to the consolidated financial statements as of December 31, 2014. The condensed consolidated interim financial statements do not include all of the information required for the full annual financial statements, and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2014, which have been prepared in accordance with IFRSs.

This condensed consolidated interim financial information was approved for issue on November 15, 2015. The financial statements are not the statutory financial statements of the Company, as the statutory financial statements are prepared in accordance with the Egyptian Accounting Standards (EASs).

3. Significant accounting policies

The accounting policies adopted for the preparation of the condensed consolidated interim financial information are consistent with those used in the consolidated financial statements as of and for the period ended December 31, 2014. The accounting policies have been consistently applied to all the periods presented.

A. Adoption of new and revised International Financial Reporting Standards

A.1 Standards and interpretations effective in the current period

The following revised standards are effective for the current period. The adoption of these standards has not led to material changes in the Group's accounting policies.

Revised Standards

IAS 19	Employee Benefits – Amendments on employee contributions for defined benefit plans
Various	Amendments resulting from annual improvements 2010-2012 Cycle
Various	Amendments resulting from annual improvements 2011-2013 Cycle

New Interpretations

IFRIC 21	Levies
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A.2 Standards and interpretations not yet adopted

At the date of authorization of these condensed consolidated interim financial statements, the Group has not adopted the following standards and interpretations that have been issued but are not yet effective. They will be effective for annual periods beginning on or after the dates described below.

New and Revised Standards	Effective from	
IFRS 9	Financial Instruments – Final version including expected loss impairment model	1 January 2018
IFRS 10	Consolidated Financial Statements – Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture	1 January 2016
IFRS 11	Joint Arrangements: Amendments on accounting for acquisitions of interests in joint operations	1 January 2016
IFRS 14	Regulatory Deferral Accounts	1 January 2016
IFRS 15	Revenue from Contracts with Customers	1 January 2018
IAS 16	Property, Plant and Equipment – Amendments regarding the clarification of acceptable methods of depreciation and amortisation	1 January 2016
IAS 28	Investments in Associates and Joint Ventures – Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture	1 January 2016
IAS 38	Intangible Assets – Amendments regarding the clarification of acceptable methods of depreciation and amortisation	1 January 2016
Various	Amendments resulting from annual improvements 2012-2014 Cycle	1 July 2016

The Group is currently assessing whether these changes will impact the consolidated interim financial statements in the period of initial application.

4. Use of estimates

The preparation of the condensed consolidated interim financial statements requires that the directors apply accounting policies and methodologies that, in some circumstances, are based upon complex and subjective judgments and estimates that are based on historical experience and assumptions that are considered to be reasonable and realistic at the time, considering the relevant circumstances. The application of such estimates and assumptions impacts the amounts recorded in the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income and cash flows, as well as in the notes. Actual results might differ from such estimates due to the uncertainty surrounding the assumptions and conditions upon which estimates are based.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended December 31, 2014.

5. Segment reporting

The chief operating decision-maker has been identified as the board of directors of the Company. The board of directors reviews the Group's internal reporting in order to assess its performance and allocate resources, mainly from a geographical perspective, of the mobile telecommunication business. OTMT management has determined the reportable operating segments according to the information analysed by the chief operating decision-maker as follows:

- *GSM - Lebanon*: relating to the management contract of the Lebanese mobile telecommunications operator Alfa which is owned by the Republic of Lebanon.
- *Cable*: relating to the provision of direct broadband and high-speed connectivity to telecom operators, internet service providers and major corporations through submarine fibre optic cables.
- *Media & Technology*: relating mainly to the provision of online advertising and content to corporate customer, mobile value added services and software development and hosting of corporate clients.
- *Other*: relating to the Group's equity accounting investment and income and expenses related to OTMT.

The Group reports on operating segments which are independently managed. The chief operating decision-maker assesses the performance of such operating segments based on:

- Total revenue
- EBITDA, defined as profit for the period before income tax expense /(benefit) (or if applicable profit from continuing operations for the period before income tax expense/(benefit)), gain on partial disposal of investments in associate, share of profit of equity investments, foreign exchange gains/(loss), financial expense, financial income, disposal of non-current assets, impairment charges and depreciation and amortisation, and
- Segment capital expenditure which is the total cost incurred during the period to acquire property and equipment and intangible assets other than goodwill.

ORASCOM TELECOM, MEDIA AND TECHNOLOGY HOLDING S.A.E.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2015

The information provided to the chief operating decision-maker is measured consistently with that of the interim financial statements.

	For the period ended 30 September 2015	For the period ended 30 September 2014
Revenue		
Interconnection traffic - revenue	19,681	18,252
Other income from services and sale of goods	5,681	6,679
Total	25,362	24,931

Revenue and EBITDA disclosure per segment for the period ended September 30, 2015

	For the Period ended 30 September 2015				For the Period ended 30 September 2014			
	Total segment revenue	Inter segment revenue	Revenue from external customers	EBITDA	Total segment revenue	Inter segment revenue	Revenue from external customers	EBITDA
GSM Lebanon	3,506	-	3,506	1,144	5,430	-	5,430	2,229
Media & Technology	4,026	(2,226)	1,800	(585)	2,320	(2,320)	-	-
Cable	19,681	-	19,681	1,881	18,252	-	18,252	1,987
Other	375	-	375	15,225	1,249	-	1,249	(14,911)
Total	27,588	(2,226)	25,362	17,665	27,251	(2,320)	24,931	10,695

Assets per segment as of September 30, 2015

	As Of 30 September 2015				As Of 31 December 2014			
	Property and equipment	Intangible assets	Equity investments	Total	Property and equipment	Intangible assets	Equity investments	Total
GSM North Korea	-	-	-	-	159,226	51,104	-	210,330
Cable	134,771	21,492	-	156,263	126,301	21,084	-	147,385
Other	6,560	158	78,368	85,086	7,123	205	82,739	90,067
Total	141,331	21,650	78,368	241,349	292,650	72,393	82,739	447,782

Capital expenditure

The table below illustrates the capital expenditure incurred by each segment in the current and comparative period

	For the period ended September 30, 2015	For the period ended September 30, 2014
GSM North Korea	-	27,500
Media & Technology	-	1,403
Cable	18,696	11,982
Other	396	103
Total	19,092	40,988

Company has disposed GSM North Korea reportable segment as detailed indicated in note 17.

ORASCOM TELECOM, MEDIA AND TECHNOLOGY HOLDING S.A.E.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2015

6. Revenues

	For the Period ended 30 September 2015	For the Period ended 30 September 2014
Interconnection traffic	19,681	18,253
Management fees	5,681	6,678
Total	25,362	24,931

7. Purchases and services

	For the Period ended 30 September 2015	For the Period ended 30 September 2014
Rental of local network, technical sites and other leases	4,053	4,034
Purchases of goods and changes in inventories	3,537	2,917
Maintenance costs	897	915
Utilities	338	345
Interconnection traffic	2,759	-
Advertising and promotional services	324	604
Consulting and professional services	1,646	872
Bank and post office charges	197	282
Insurance	214	145
Other service expenses	4,238	5,720
Total	18,203	15,834

8. Net financing (cost) income

	For the Period ended 30 September 2015	For the Period ended 30 September 2014
Fair value loss on derivative instrument	(134,050)	(29,158)
Interest income on deposits	258	658
Financial income	(133,792)	(28,500)
Interest expense on borrowings	(214)	(349)
Other interest expense and financial charges	(536)	(610)
AFS Investments revaluation	(20)	-
Financial expense	(770)	(959)
Foreign exchange gain	5,459	322
Foreign exchange gain	5,459	322
Total	(129,103)	(29,137)

The increase in finance costs is due to the reversal of previously recognized gains resulting from the valuation of the Company's put option of investments amounted to USD 134,050 thousand - note (13).

ORASCOM TELECOM, MEDIA AND TECHNOLOGY HOLDING S.A.E.
 NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE PERIOD ENDED SEPTEMBER 30, 2015

9. Investments in associates (net)

Company	Country	%	September 30, 2015	December 31, 2014
MT Telecom SCRL	Belgium	28.75	-	7,840
Egyptian Company For Mobile Services (ECMS)	Egypt	5	-	74,899
Cheo Technology Venture (Koryolink) (**)	North Korea	75	78,368	-
			78,368	82,739

The following table identifies the detailed transactions on investments:

	Nine months ended September 30, 2015	Nine months ended September 30, 2014
Beginning balance	82,739	92,367
Group's share of loss in the investments in associates	(616)	(6,105)
Disposal of Group's share as a result of sale of investments in associates	(74,977)	-
Change in Scope of Koryolink (**)	78,368	-
Currency translation differences	(7,146)	(2,530)
Ending balance	78,368	83,732

The carrying amount of the investments in associates decreased by an amount of USD 632 thousand as result of the Group's share of the additional losses of the associate companies which occurs during the current period and until the date of selling the investments.

Gains on sale of investments in associates

(*) On February 22, 2015 the Board of Directors of the Holding Company agreed on the sale of all the Group's shares in the Egyptian Company for Mobile Service (ECMS), in addition to potential voting rights in MT Telecom SCRL, according to the call option notice received from Orange SA Company (previously; France Telecom), and on March 12, 2015 the Group collected the sale price which amounted to Euro 209,632 thousand.

The following table shows gain from sale of investments in associates resulting from the exercise of call option:

	(In thousand USD)
Sale price of investments in associates	238,576
Deduct:	
Sale transaction costs and commissions	(780)
Investment in associates using equity method	(76,792)
Currency translation differences	201
Gain from sale of investments in - ECMS	161,205
Other capital losses	(258)
Disposal of non-current assets	160,947

(**) The Company's investments in North Korea related primarily to the 75% holding in the local telecom operator Koryolink. The accounting treatment has been modified during this period through recognizing it as an investment in associates instead of investment in subsidiaries. Thus in light of the increase of the restrictions, financial and operating difficulties facing Koryolink due to the international sanction imposed by the international community including the United States, the European Union and the United Nations. These sanctions have the effect of restricting financial

ORASCOM TELECOM, MEDIA AND TECHNOLOGY HOLDING S.A.E.
 NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE PERIOD ENDED SEPTEMBER 30, 2015

transactions and the import and export of goods and services, including goods and services required to operate, maintain and develop mobile networks and increase of long term restrictions which affect the ability to transfer of the subsidiary's profits to the Holding Company, the absence of a free-floating currency exchange market in North Korea, whereas the Group's management has no exchange rate available other than the official exchange rate announced by the Central Bank of North Korea, other than launching a competing local telecom operator wholly owned by the North Korean Government. The group's management seek to find solutions for the aforementioned and its effect through negotiations with the Korean side including merging Koryolink with the second local telecom operator, wholly owned by the North Korean Government. According to the Group's management, there is an initial consent from the Korean party regarding merger. This may lead to the presence of possible future solutions that would remove some of the obstacles. In light of the change in the results of those negotiations during the current period which indicates a disagreement from the Korean side to grant the management the rights to control in case of the merger and due to the increase in aforementioned restrictions during the current period, the group's management decided that it lost control on the Koryolink's activities according to the requirements of the International Financial Reporting Standards No. (10), which led to modify the accounting treatment to be investment in associates instead of investment in subsidiaries. The fair value of the investment has been determined based on independent valuator report. The subsidiary's net assets was translated as of September 30, 2015 based on the official exchange rate announced by the Central Bank of North Korea, whereas the Group's management has no exchange rate available other than the official exchange rate announced by the Central Bank of North Korea, which led to losses from the modification in the accounting treatment amounted to USD 474 million included in losses from discontinued operations in the income statement (Note10).

10. Net (loss) / profit from discontinued operations

- Loss and gain from discontinued operations as of September 30, 2015 represented in losses from disposal of Koryolink with a value of USD 474,266 thousand (September 30, 2014: Losses from selling subsidiaries companies for Orascom Telecom Ventures with a value of USD 1.5 million and gain from disposal of Koryolink with a value of USD 137 million). The Company's investments in North Korea related primarily to the 75% holding in the local telecom operator Koryolink. The accounting treatment has been modified during this period and recognized as investment in associates instead of investment in subsidiaries. In the management's view the control over *the Koryolink's activity was lost* as aforementioned in detailed in note (9).

Analysis of (loss) / profit from discontinued operations of Koryolink are as follows:-

	September 30, 2015	September 30, 2014
Revenue	246,951	257,066
Expenses	(68,601)	(76,319)
Profit from operating activities	178,350	180,747
Income tax expense	(41,833)	(43,868)
Profit from operating activities, net of tax income	136,517	136,879
Disposal of subsidiary net assets due to loss of control (*)	(577,215)	-
Impairment of Receivables due form Koryolink	(33,568)	-
(Loss) / Profit from discontinued operations	(474,266)	136,879

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(*) Koryolink's net assets and liabilities are as follows:

<i>(in thousands of US\$)</i>	Book value at date of deconsolidation
Property and equipment	141,353
Intangible assets	44,898
Inventories	127
Other current financial assets	686,682
Other current assets	1,956
Cash and cash equivalents	140,201
Total assets	1,015,217
Trade payables	(53,423)
Other current liabilities	(68,962)
Provisions	(1,156)
Current income tax liabilities and Deferred tax	(22,503)
Total liability	(146,044)
Net (assets) which the control were lost	(869,173)
Less:	
Non-controlling interests	204,859
Sale proceeds	
Consideration -Investment and Current account	111,951
Profit on disposal before recycling of foreign exchange	(552,363)
Recycling of Foreign exchange	(24,852)
(Loss) on discontinued operations	(577,215)

The subsidiary company's financial statements were translated at the date when control was lost on September 30, 2015 by using the official exchange rate announced by the Banks operates in North Korean, whereas determined by the Central Bank of North Korean, the absence of a free-floating currency exchange market and there is no indicators refers to the effect of the change on the Korean currency exchange market on the company's assets, accordingly, for the purpose of disposal of the company from combination and according to the International Accounting Standard no. (21) "The Effects of Changes in Foreign Exchange Rates", the interim financial statements for the subsidiary company (Koryolink) at September 30, 2015 (the date when control was lost) were translated to Egyptian pound using the official exchange rate announced by Central Bank of North Korean as this is the only exchange rate available for the subsidiary company.

11. Income tax expense

	For the period ended September 30, 2015	For the period ended September 30, 2014
Current tax expense	21,434	3,229
Deferred tax liabilities	2,525	246
Total income tax expenses	23,959	3,475

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12. Property & equipment and intangible assets (net)

The details of the property & equipment and intangibles acquired and disposed of during the current and comparative period are detailed in the following table:

	Property and equipment	Intangible assets
Balance as of January 1, 2015	292,650	72,393
Additions	26,467	1,420
Disposals	(327)	(242)
Depreciation and amortization	(30,287)	(2,996)
Currency translation differences	(5,819)	(4,025)
Change in scope of consolidation	(141,353)	(44,900)
Balance as of September 30, 2015	141,331	21,650
Balance as of January 1, 2014	371,175	62,982
Additions	40,639	358
Disposals	(429)	-
Depreciation and amortization	(26,116)	(2,896)
Currency translation differences	(8,622)	(2,190)
Other movements	17	(18)
Balance as of September 30, 2014	376,664	58,236

13. Other financial assets

	As Of 30 September 2015			As Of 31 December 2014		
	Non-current	Current	Total	Non-current	Current	Total
Financial receivables	34	83	117	42	2,746	2,788
Derivative financial instruments	-	-	-	112,575	34,145	146,720
Deposits	-	1,113	1,113	584,883	1,114	585,997
Financial assets held for trading	-	853	853	-	-	-
Financial assets available for sale -At Cost	5,623	-	5,623	6,189	-	6,189
Other financial assets	5,657	2,049	7,706	703,689	38,005	741,699

Derivatives financial instruments

Call / Put options with Orange SA

Represents the fair value of the put option, which entitles the Company to sell its direct stake in the Egyptian Company for Mobile Services - ECMS (associate company), in addition to its indirect voting rights, to Orange SA (previously; France Telecom Company), in accordance with the amended shareholders' agreement dated April 11, 2012. The agreement provides for the Company's option to put 1.67% per annum of the shares of the associate company during January

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and February of each year starting 2015 till 2017 based on each year accreting prices ranging from EGP 268.5 in 2015 to EGP 296 in 2017 per each share of the shares of ECMS.

The agreement also provides that Orange SA has the option to call all (but not less than all) of the Company's direct stake in Egyptian Company for Mobile Services (ECMS) which is reported in the balance sheet as investments in associates with a percentage of 5% in addition to related voting rights with a percentage of 28.75% on execution of the deal. This option is exercisable by Orange SA during January and February of each year starting from the year ended 2013 till 2017, at an accreting price ranging from EGP 243.5 to EGP 296 per each share of the shares of ECMS.

The consolidated interim income statement was charged during the period by an amount of USD 137.6 million, note (8), which represents the reversal of the Company's valuation gains of its put option related to the direct and indirect stakes of investments in associates, whereas on February 22, 2015 the Board of Directors of the Company agreed on the sale of all the Company's shares in the Egyptian Company for Mobile Service (ECMS), in addition to potential voting rights in MT Telecom SCRL, according to the call option notice received from Orange SA Company, note (9), which resulted in the cancelation of the Company's right to exercise its put option, and led to reversal of previously recognized gains resulting from the valuation of the put option to be charged to consolidated interim income statement during the period.

Available for sale investments

These investments are carried at cost as they represent unlisted shares in the stock exchange and there is no other way to measure their fair value.

14. Cash and balances at banks

The increase in cash and cash equivalent is represented in the proceeds from sale of the Group's investments in Egyptian Company for Mobile Services S.A.E and MT Telecom SCRL by an amount of Euro 209.6 million. The cash and balances at banks as at September 30, 2015 amounted to USD 250 million (December 31, 2014; USD 130 million).

15. Share capital

The Company was incorporated On 29 November 2011 with an authorised share capital amounting to EGP 22 billion, equivalent to USD 366 billion, of which, the issued amounts to EGP 2,203,190,060 distributed over 5,245,690,620 shares, each with a nominal value of EGP 0.42 par value each, according to the approvals of the General Authority for Investment and of the Extraordinary General Assembly of Orascom Telecom Holding (Demerging Company).

16. Borrowings

	For the Period ended 30 September 2015	For the Period ended 30 September 2014
opening balance	6,203	8,751
of which current portion	4,103	6,456
of which non-current portion	2,100	2,295
Repayment of borrowings and Movements in current borrowings	(1,964)	(3,154)
New borrowings	15,740	2,742
Exchange rate differences	(132)	23
Others	(31)	(6)
Balance as of 30 September	19,816	8,356
of which current portion	3,407	5,227
of which non-current portion	16,409	3,129

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- Borrowings include loans obtained from the shareholders of Trans World Associate Private by an amount of USD 3 million from which USD 1.7 million due within one year and USD 1.3 million due after more than one year with an interest rate 1.58%.
- Borrowings also include loans obtained from banks amounted to USD 12 million from which USD 1.2 million due within one year and USD 10.8 million due after more than one year these borrowings were obtained by Trans World Associate Private with interest rates ranges between 14.91% to 19%.
- Borrowings also include a credit facility as a Medium Term Loan agreement to finance the purchase of assets related to the Holding Company from an Egyptian bank on July 27, 2015 amounted to USD 639 thousand for a period of sixty-seven months ending February 27, 2012 including a value of USD 88 thousand which maturity is one year and a value of USD 327 thousand which maturity is more than one year with interest rate 2% above interest rate on certificates in the bank.

17. Trade payables and other liabilities

	As Of 30 September 2015			As Of 31 December 2014		
	Current	Non-current	Total	Current	Non-current	Total
Trade Payable						
Capital expenditure payables	323	-	323	32,378	-	32,378
Trade payables due to suppliers	7,513	-	7,513	27,443	-	27,443
Other trade payables	1,166	-	1,166	3,790	-	3,790
Total	9,002	-	9,002	63,611	-	63,611
Other payable						
Prepaid traffic and deferred income	815	8,004	8,819	71,792	4,224	76,016
Due to local authorities	3,120	-	3,120	2,706	-	2,706
Personnel payables	397	-	397	1,226	-	1,226
Other credit balances	3,056	1,672	4,728	11,382	4,406	15,788
Total	7,388	9,676	17,064	87,106	8,630	95,736
	16,390	9,676	26,066	150,717	8,630	159,347

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18. Provisions

Provisions are recognized according to the best estimate of the amount expected to settle the present obligations, at the end of the reporting period, arising as result from the Group's operations and contractual relationships with third parties. Provisions recognized during the period are reported among other expenses in the statement of profit or loss and are subject to an annual review by management and are revised based on the most recent developments, negotiations and agreements with the relevant counterparties.

	For the period ended September 30, 2015	For the period ended September 30, 2014
As of January 1,	76,462	76,658
Formed	966	9,289
No longer required	(23,328)	-
Currency translation differences	(6,472)	(2,225)
Change in scope	(1,156)	-
Used	-	(48)
Reclassifications	(124)	(244)
As of September 30,	46,348	83,430

19. Earnings per share

Basic and diluted

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. During the period covered by the report, the Company did not have any dilutive potential ordinary shares and as such diluted and basic earnings per share are equal.

	For the period ended September 30, 2015	For the period ended September 30, 2014
Profit attributable to equity holders of the Parent Company	(490,630)	51,203
Weighted average number of shares (in thousands of shares)	5,245,690	5,245,690
Earnings per share – basic and diluted (in US\$)	(0.094)	0.01
From continuing operations	0.002	(0.009)
From discontinued operations	(0.090)	0.026

20. Capital Commitments

The capital commitments are provided in the table below:

	As of September 30, 2015	As of December 31, 2014
Property and equipment	33,935	2,447
Other	23,600	27,932
Total	57,535	30,379

Capital commitments arise from the commitments of the Group to acquire items of property and equipment related to the marine cables by Middle East and North Africa for Sea Cables Company and Trans World Associates (subsidiaries).

21. Contingent liabilities

The contingent liabilities are represented in guarantees issued by the Holding Company and related to the activities of its subsidiaries, as follows:

Orascom Telecom, Media and Technology Holding

- A Letter of guarantee in favour of Lebanon Ministry of Telecommunication to guarantee Orascom Telecom Lebanon in the payment of any amount due by the selected participants amounting to USD 40 million.

Trans World Associates (Subsidiary)

- A bank guarantee was issued in favour of Link Dot Net amounting to USD 4,772 thousand; The guarantee is validated to July 23, 2015.

- A bank guarantee was issued in favour of Pakistan Educational Authority amounting to Rupees 2.2 million equivalents to USD 21 thousand and the guarantee is validated to December 31, 2015.

- A bank guarantee was issued in favour of Punjab Information Technology amounting to Rupees 3 169 million equivalent to USD30 thousand and the guarantee is validated to November 28, 2015.

- A bank guarantee was issued in favour of NIB bank amounting to Rupees 250 million equivalent to USD2.5 million and the guarantee is validated to September 17, 2017.

Middle East and North Africa for Sea Cables – MENA cables (Subsidiary)

- A guarantee was issued in favour of one of the subsidiary's clients amounting to USD 82 million to guarantee the subsidiary to fulfil its contractual obligations represented in performing the contracted services.

22. Significant current events during the period

- On July 9, 2015, the Minister of Investment's decree No. (110) of 2015 was issued. It has been decided to replace and supersede the former Egyptian Accounting Standards for the preparation and presentation of financial statements with new version of Egyptian Accounting Standards. The application of the former Egyptian Accounting Standards issued by Ministerial Decree No. 243 of 2006 was cancelled, effective as of the date of applying this Decree. This Decree was published in the Official Gazette, and shall be effective as of the first day of January 2016, and will be applied on the entities whose fiscal year starts on or after this date.

- On August 20, 2015, a Presidential Decree was issued promulgating Law No. (96) of 2015 amending certain provisions of the Income Tax Law No. 91 of 2005 and amendment by Law No. (44) of 2014. According to this amendment the tax rate became 22.5% instead of 25, and will be applied on the entities whose fiscal year starts on or after this date. These amendments reflected in deferred tax calculation on the interim financial period ended September 2015.

23. Significant events during the subsequent period of the interim period ended September 30, 2015

- On October 7, 2015, Orascom Telecom Media and Technology Holding S.A.E. ("OTMT") and Act Financial ("Act") submitted a letter to the Egyptian Financial Supervisory Authority of intent to acquire 100% of Beltone Financial. It is worth noting that OTMT's share of the offer is 87% and Act's share of the offer is 13%, the transaction value is estimated at up to EGP 650 Million. We estimate the transaction to be executed within Quarter 4, 2015.

- On October 22, 2015, Orascom Telecom Media and Technology Holding S.A.E. signed an equity purchase contract related to the shares of seven floors in a property located in Brazil through Brazilian

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Victor Companies with a total cost of 263 Million Brazilian Real (Equivalent to USD 66 Million). It is worth mentioned that the Company financed 50% of the contract by self-finance. In addition, the residual percentage financed by borrowings. The Company signed a loan agreement with a bank located in Lebanon with a total value of USD 35 Million and the Company will pay an agreed fees amounted to USD 100 thousand at the date when the loan agreement signed.

Loan commitments are as follows:-

- 1- A first class mortgage in favor of the lender bank on all the shares stated above.
- 2- Property mortgage on all the floors.
- 3- Inclusion of all proceeds in loan account to cover interest payments.
- 4- The loan is covered at any date by a percentage of 200% and this by evaluating the value of the floors mentioned above every six months. In case of decrease in the fair value of these floors to become covering a percentage of 175% or a lower percentage of the loan value, the loan will be decreased till the cover percentage reach 200% or the borrower provides additional guarantee to the lender bank.

24. Approval of the condensed consolidated interim financial Statements

The condensed consolidated interim financial statements of the Group for the six months ended September 30, 2015 were approved by the Board of Directors on November 15, 2015.

Chief Financial Officer

Youssef Shoukry



Executive Chairman & Managing Director

Naguib Sawiris

